# **NEW APPLICATION** PIGINAL



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BEFORE THE MARKETON COMMISSION 1 Arizona Corporation Commission 2 **COMMISSIONERS** DOCKETED 3 JEFF HATCH-MILLER, Chairman MAR - 4 2005 WILLIAM A. MUNDELL 4 MARC SPITZER DOCKETED BY MIKE GLEASON KRISTIN K. MAYES 5 Docket No. E-04100A-6 IN THE MATTER OF THE APPLICATION OF SOUTHWEST TRANSMISSION COOPERATIVE, APPLICATION 7 INC. FOR PERMISSION TO APPLY THE PROCEEDS OF PREVIOUSLY AUTHORIZED E-04100A-05-0151

INDEBTEDNESS TO A DIFFERENT PURPOSE

Pursuant to A.R.S. 40-302.C, in support of its Application, Southwest Transmission Cooperative, Inc. ("SWTC") states as follows:

- 1. SWTC is a non-profit, member-owned cooperative which provides wholesale transmission service to its members and other patrons.
- 2. This Application is submitted without waiver of SWTC's position that it is not a public service corporation pursuant to Article 15 of Arizona's Constitution.
- 3. On December 19, 2002, the Commission issued Decision No. 65473 (the "Decision") authorizing SWTC to borrow from the Rural Utilities Service/Federal Financing Bank an amount not to exceed \$30,853,000 to finance its revised 2001-2004 construction work plan ("Revised Work Plan").
- Because other projects in the Revised Work Plan have been constructed for less 4. cost than original estimates, SWTC recently decided to seek a further amendment to its Revised Work Plan to include financing for the Sandario Project. A copy of the December 14, 2004 Resolution of SWTC's Board of Directors approving the amendment is attached as Exhibit A.



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5.	The Rural Utilities Service ("RUS") has approved this amendment to the Revised
Work Plan.	Attached as Exhibit B is the RUS letter dated January 18, 2005 evidencing its
approval.	

- 6. The Sandario Project is being undertaken to improve reliability in the service territory of Trico Electric Cooperative, Inc., a Class A member of SWTC. The Power Plant and Transmission Line Siting Committee has issued a Certificate of Environmental Compatibility for the Sandario Project. It was approved December 3, 2004 by the Commission in Decision No. 67432.
- 7. By this Application, SWTC does not seek any increase in the amount or terms of the borrowing authorized by the Decision. Instead, it seeks the Commission's consent pursuant to A.R.S. 40-302.C to apply a portion of the proceeds of the authorized indebtedness to the construction of the Sandario Project.
- 8. Construction on the Project is scheduled to start this summer. Therefore, SWTC would request that the Commission issue its order approving this Application by June 15, 2005.

WHEREFORE, having fully stated its Application, SWTC requests that the Commission enter its Order consenting to SWTC's use of a portion of the proceeds of the indebtedness already authorized in Decision No. 65743 to finance construction of the Sandario Project.

RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of March, 2005.

GALLAGHER & KENNEDY, P.A.

Michael M. Grant

Todd C. Wiley

2575 East Camelback Road

Phoenix, Arizona 85016-9225

Attorneys for Southwest Transmission Cooperative, Inc.

**Original and thirteen** copies filed this 4<sup>th</sup> day of March, 2005, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona \$5007

15169-7/1252652

### SOUTHWEST TRANSMISSION COOPERATIVE, INC.

Benson, Arizona

The following resolution was adopted at a **regular meeting** of the Board of Directors of Southwest Transmission Cooperative, Inc. (SWTransco), held in Benson, Arizona on December 14, 2004.

#### RESOLUTION

WHEREAS, the Board of Directors of Southwest Transmission Cooperative, Inc. (SWTransco) has previously approved the 2001-2004 Construction Work Plan and Amendment Nos. 1, 2 and 3 to the 2001-2004 Construction Work Plan; and

WHEREAS, Rural Utilities Service (RUS) regulation 7 CFR 1710 requires that any amendment to the 2001-2004 Construction Work Plan be approved by the Board of Directors and by RUS; and

WHEREAS, Management has prepared Amendment No. 4, dated November 2004, to the 2001-2004 Construction Work Plan which proposes an increase in the estimated amount of the 2001-2004 Construction Work Plan from \$30,803,510.00 to \$30,839,407.00; and

**WHEREAS**, it is the recommendation of Management that Amendment No. 4 to the 2001-2004 Construction Work Plan be approved; and

WHEREAS, the SWTransco Board has reviewed the recommendation of Management and deems it to be in the best interest of SWTransco and its member-consumers to approve Amendment No. 4 to the 2001-2004 Construction Work Plan;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Southwest Transmission Cooperative, Inc., approves Amendment No. 4, dated November 2004, to the 2001-2004 Construction Work Plan in the revised estimated amount of \$30,839,407.00; and

**BE IT FURTHER RESOLVED,** that the Board of Directors of SWTransco hereby requests approval from the RUS of Amendment No. 4 to the 2001-2004 Construction Work Plan.

I, Tony Boling, do hereby certify that I am Secretary/Treasurer of SWTransco, and that the foregoing is a true and correct copy of the Resolution adopted by the Board of Directors at a **regular meeting** held on December 14, 2004.

Secretary/Treasurer

(Senl)



#### United States Department of Agriculture Rural Development

## Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service Washington, DC 20250

Mr. Larry D. Huff
Senior Vice President and Chief Executive Officer
Southwest Transmission Cooperative, Inc.
P.O. Box 2195
Benson, Arizona 85602

Dear Mr. Huff:

The Rural Utilities Service (RUS) has reviewed and hereby approves Amendment No. 4 to the **2001-2004 Construction Work Plan (CWP)** as submitted with Southwest Transmission Cooperative's (SWTC) letter, dated December 20, 2004 and follow-up materials received on January 11, 2005.

The projects in the Amendment have previously received RUS' environmental approval.

As Trico Electric Cooperative (Trico) is an active RUS borrower, no Rural Electrification Act Beneficiary analysis is required. The Sandario Substation and associated transmission line were included in Trico's 2004-2007 Construction Work Plan which was approved by RUS on January 12, 2004.

If you should have any questions regarding this approval, please contact Bard Jackson at (202) 720-1406.

Sincerely,

Chief, Power Delivery Engineering Branch

Power Supply Division

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JAN 2 4 2005